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SUBJECT: BELARUS PROTESTS EXPANDED USG SANCTIONS

¶1. (SBU) Deputy FM Viktor Gaysyonok summoned Ambassador November 15 to protest the recent listing of Belarusian petrochemical giant Belneftekhim by Treasury's Office of Foreign Asset Control (OFAC). Gaysyonok read the text of a diplomatic note (see text para 5) stating in part that the OFAC measures violated U.S. obligations under the 1994 Budapest Memorandum of Safeguards signed in association with Belarus' accession to the Nuclear Non-Proliferation Treaty. The note claimed that the steps taken against Belneftekhim were in violation of the Belarus-U.S. Trade Agreement, and principles of international trade and international law, as established in the framework of the WTO and via various UN instruments, respectively.

¶2. (SBU) In addition, the Belarusian protest denied any GOB responsibility for debts incurred as a result of the OFAC listing and said that it retained the right to take adequate measures in response. The note called for an immediate reversal of OFAC's actions.

¶3. (SBU) In response, the Ambassador stated that the actions taken were consistent with U.S. commitments and obligations. She noted that the Executive Order and OFAC listing were a result of the GOB's failure to take necessary steps in human rights and democracy to improve bilateral relations. Gaysyonok made little substantive reply, avoiding a direct response to the Ambassador's comments.

Comment

¶4. (SBU) This was a formal, diplomatic response to the OFAC listing largely and restated MFA press releases from November 14. Additional steps may be forthcoming. After the meeting concluded, MFA North America Department Deputy Head Andrey Rzhesskiy asked DCM if further steps would be taken by the USG. DCM noted that more sanctions were possible and would be based upon the actions of the GOB. End comment.

¶5. (U) Begin text of diplomatic note:

The Ministry of Foreign Affairs of the Republic of Belarus expresses a strong protest to the U.S. Embassy to the Republic of Belarus regarding the U.S. Treasury Department's decision announced on 13 November 2007 about blocking the assets and seizing the property of Belneftekhim on the territory of the United States and barring American legal and private entities from having trade-economic relations with Belneftekhim and its representations abroad.

By taking such a unilateral decision the U.S. Government violated

the Memorandum of Security Guarantees in connection with Belarus' joining the Agreement on Non-proliferation of Nuclear Weapons of 5 December 1994, by which the United States, in return for Belarus' rejection of possessing nuclear weapons, took an obligation not to apply measures of economic compulsion in order to subject Belarus to the interests of the United States

The U.S. Government also violated existing trade agreements between the United States and Belarus, according to which the United States committed itself to improve the access of Belarusian goods and services to the U.S. market and to create optimal commercial opportunities.

The U.S. Government decision regarding Belneftekhim is counter to the principles and regulations of international trade, established and operating within the WTO.

Applying measures of politically motivated economic pressure is unacceptable from the perspective of the principles of international law, stated in the UN Charter, the UN Declaration of 21 December 1965 on the inadmissibility of intervention into the internal affairs of states, protection of their independence and sovereignty, and the UN General Assembly resolution of 22 December 2005 about unilateral economic measures as a means of political and economic pressure on developing countries.

The government of the Republic of Belarus strongly demands that the U.S. government immediately returns the assets and property to their legal owner, i.e. Belneftekhim, and remove all restrictions on trade-economic operations of the firm on U.S. territory of the United States, based on the Memorandum and Agreement.

The Government of the Republic of Belarus retains its right to take appropriate reciprocal measures, envisaged by international practice and to request reimbursement of the losses of Belneftekhim. The

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Belarusian side also relieves itself from obligations that have arisen or may arise on the territory of the United States and abroad as a result of the U.S. Treasury Department's decision regarding Belneftekhim and lays these obligations on the government of the United States.

End text.

Stewart